

(800) 473-6757

Call the
MOSTARS
Information
Center

to speak with trained
staff members about
any story in this
newsletter
as well as to obtain
free information about
state and federal
student financial
assistance programs.

(573) 751-3940

October 2000



Missouri Student Assistance Resource Services

MOSTARS is a division of the Missouri Department of Higher Education.

Financial Aid History Data from NSLDS

The U.S. Department of Education is preparing to implement the exclusive use of the National Student Loan Data System to provide schools financial aid history information, including data for mid-year (current year) transfer students. A mid-year transfer student is an applicant for Title IV assistance at one school who attended another eligible school during the same award year, either in an earlier term or during the summer prior to the beginning of the school's academic year.

Previously, schools have been permitted to rely on NSLDS for financial aid history on mid-year transfer students only in limited circumstances, as originally outlined in a July 1996 Dear Colleague Letter, GEN-96-13, because of delays in transmission of data to NSLDS from the school the student previously attended. To deliver Federal Family Education Loan Program funds, a school could use NSLDS to obtain financial aid history for a mid-year transfer student if the school

**FFEL
Program** | Carolyn Brown
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checked NSLDS no earlier than 60 days after the end of the student's enrollment at the prior school. For Federal Pell Grant Program and campus-based program funds, a school could make an initial disbursement to a mid-year transfer student after the school reviewed NSLDS data from the student's output document. To confirm eligibility for delivery of subsequent disbursements, a school that used NSLDS to obtain financial aid history was required to check again no earlier than 60 days after the student's last enrollment at the previous school.

At the July 2000 conference of the National Association of Student Financial Aid Administrators, the USDE announced that schools may now rely on NSLDS exclusively for financial aid history information. This policy change was subsequently published in Dear Partner Letter GEN-00-12, dated August 2000. Effective July 1, 2000, for the purpose of making a delivery of Title IV

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Beth Ziehmer
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This portion of the **MOSTARS** newsletter includes questions and answers regarding topics MOSTARS clients bring to our attention.

If you happen to see one of your questions published, give yourself a pat on the back for asking a question that may benefit other clients.

In addition, if you think there is a need for a published clarification on a particular topic, contact the **MOSTARS Information Center at (800) 473-6757 or (573) 751-3940** to discuss the topic. We may include the question in a future issue of **MOSTARS**.

If a student is enrolled in a co-op program at an institution, are they eligible for the Advantage Missouri Program?

No. A student must be enrolled full time in a designated academic program at a participating Missouri institution.

If a student files for bankruptcy, are they still eligible to apply for the Advantage Missouri Program?

Yes. Nothing in the proposed rule for the Advantage Missouri Program prevents such a student from applying for the program.

What are the Advantage Missouri Program high-demand occupational areas for the 2001-02 academic year?

The high-demand occupational areas remain the same as in past academic years: advanced manufacturing, computer technology, and biomedical/biotechnology.

How does a student or institution cancel an Advantage Missouri Program award after it has been approved?

If a student no longer wants to accept the Advantage Missouri Program award after it has been approved, the student should contact the institution to have the award cancelled. After the institution determines that a student is no longer eligible for the Advantage Missouri award, or if a student requests cancellation of the award, the institution should complete the Advantage Missouri Update Form to cancel the award and forward the form to MOSTARS as soon as possible. This form also is used to refund disbursements when an award is cancelled after the disbursements were made to the institution.

Does a student have to be enrolled full time to receive an Advantage Missouri Program award?

Yes. A student must be enrolled full time unless the participating institution has certified, and MOSTARS has approved, that the student is enrolled at least half time in the last semester or term of a designated program.

Is MOSTARS still accepting applications for the Marguerite Ross Barnett Memorial Scholarship Program for the 2000-01 academic year?

No. Available funds for the program have been allocated for the 2000-01 academic year. Applications for the 2001-02 academic year are scheduled to be available in January 2001.

Have the ACT and SAT test scores needed to qualify for the "Bright Flight" Scholarship Program been determined for the 2001-02 academic year?

Yes. For the 2001-02 academic year, students must have achieved the following composite ACT or SAT test score to qualify for the "Bright Flight" Program:

ACT composite score of 30 or above

or

SAT verbal score of 770 or above and math score of 770 or above. ★

For Your Convenience

An information box indicating subject matter accompanies each article in this newsletter. This box also contains the name of the article's contact person (where applicable) and his or her phone number and e-mail user ID.

The user ID is now the firstname.lastname. The formula for e-mail addresses at the Missouri Department of Higher Education is as follows:

USER ID@mocbhe.gov

Remember, you also can contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.

July 2000 Q&A Correction

Beth Ziehmer
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Please note the following Q&A, correcting one previously published in the July 2000 MOSTARS newsletter.

If a student has a fall/spring loan and advances from grade level two to grade level three for the spring term, how can the student receive the additional loan funds for which he or she is eligible?

The Missouri Student Loan Program recommends treating loan increases after grade level changes as additional loans. Procedurally, increasing a loan from \$3,500 to \$5,500 for a student progressing from grade level two to three is not prohibited. However, the MSLP's position is that the borrower's records are documented more clearly for the school, lender, and guaranty agency when the additional \$2,000 in loan funds is treated as a new loan.

NOTE: When previously published in the July 2000 newsletter, the question incorrectly labeled the school as a two-year institution. Two-year institutions are not able to certify loans above grade level two. ★

History Data, from page 1

assistance, schools are authorized to use data from NSLDS for financial aid history on all applicants. NSLDS may be used to obtain financial aid history for mid-year transfer students provided the school checks NSLDS via online or batch access no earlier than 30 days prior to the beginning of the first payment period for which the school expects to pay Title IV assistance to the student. For example, if the mid-year transfer student will begin attending the new school for a spring enrollment period that starts on Jan. 29, the school must access NSLDS on or after Dec. 29. It is important to remember that NSLDS information provided to a school as part of the Institutional Student Information Record does not meet the new requirement unless the ISIR was processed by the Central Processing System within the 30-day period preceding the student's first payment period at the new school.

The use of NSLDS instead of requesting a paper financial aid transcript remains optional, although schools are strongly encouraged to use NSLDS for all transfer students and to request paper FATs only when absolutely necessary. Schools that receive requests from other schools, or from students, to provide paper FATs are still required to respond promptly.

This interim policy is a step toward complete reliance upon NSLDS data for financial aid history information for all students, as reflected in proposed rules published in a Federal Register dated Aug. 10, 2000. Major points of these proposed rules, which would generally take effect on July 1, 2001, are as follows:

- ★ Schools would be required to obtain financial aid history information on all students from NSLDS before delivering Title IV assistance. For non-transfer students, schools could use the existing ISIR/SAR process or access NSLDS directly.
- ★ For mid-year transfer students, schools would be required to request current-year information from NSLDS, through a procedure that is still under development, by providing NSLDS the student's identifying information. A school that made a request for updated information from NSLDS would be required to wait seven days before delivering Title IV funds, unless NSLDS responds to the school's request or the school accesses NSLDS online and the information received permits the school to deliver a disbursement. The USDE is meeting

with focus groups consisting of financial aid administrators from different types and sizes of schools to develop the operational details of this proposal.

- ★ A school that receives a request from another school for financial aid transcript information would no longer be required to respond.
- ★ The proposed rules delete a current regulation that permits a school to hold a Federal Stafford or Federal PLUS loan disbursement for a period of not more than 45 days pending the receipt of financial aid history information.

These proposed regulatory changes were subject to a public comment period that expired on Sept. 25. It is anticipated that final rules will be published no later than Nov. 1, after the USDE has the opportunity to consider and address comments received from the public. It is important to note that, as the result of public commentary, aspects of the final rules may be different than the original proposals. ★

MOHELA Offers Student Loan Interest Rate Reductions

**MOSTARS
News**

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Missouri teachers and other student loan borrowers now can benefit from lower interest rates on their student loan debts.

The Missouri Higher Education Loan Authority has implemented a new Teacher Interest Rate Reduction Program to help Missouri teachers repay their student loans. The program, announced by Gov. Mel Carnahan on Aug. 18, could benefit 15,000 Missouri elementary and secondary educators who have student loans owned and serviced by MOHELA.

For teachers who qualify, the maximum 8.25 percent rate dictated by federal law will be voluntarily reset to a maximum

of 6 percent by MOHELA. Teachers can have their interest rates lowered further to a maximum of 4 percent if they make payments on time and set up automatic payments from their accounts.

MOHELA borrowers in other career fields also may qualify for the 2 percent reduction if they set up automatic payments.

For more information about the interest rate reduction programs, MOHELA borrowers may call the MOHELA customer service line at (800) 6MOHELA or access MOHELA's web site at www.mohela.com. ★

Eligible Lender List Changes

Participation Lists

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To request an MSLP Combined Eligible Lender List, call the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.

For more information, refer to the August 1998 issue of FFELPfacts. You can view a sample of the list in the October 1998 issue of the MOSTARS newsletter.

The list also is available on the MOSTARS web site at www.mocbhe.gov/mostars/Indrlist.pdf. ★

Added

Citibank (NYS) Trustee for Student Loan Corp, OE 828154-00
Participation categories: Sub, Unsub, PLUS
Added Aug. 28

Changed

Bank of Salem c/o MOHELA, OE 829217-00
Add PLUS Pre to participation categories
Changed Aug. 4

Bank One Trustee for Nellie Mae c/o LSC/TX, OE 829076-00, 829988-00, 830308-00, & 833691-00
New Name: Nellie Mae Bank One as Trustee c/o LSC/TX
Changed Aug. 4

Citibank (NYS), OE 826878-00
Remove PLUS Pre from participation categories
Changed Aug. 22

Student Loan Funding, FBNA Trustee, OE 831455-00
Add Sub Pre, Unsub Pre, and PLUS Pre to participation categories
Changed Aug. 17

Removed

Bank of Sullivan c/o MOHELA, OE 813965-00 & -50
Removed Aug. 28

Staff News

MOSTARS is proud to announce that **Pam King**, client service representative-southwest territory, has been presented with the Mapping Your Future Excellence Award for 1999-2000. Pam received the award at the Mapping Your Future National Conference in Dallas on Sept. 28. This award recognizes individuals from sponsoring agencies for their commitment and dedication to the promotion of the Mapping Your Future site.

Congratulations, Pam, on a job well done!

Michelle Krambeck, client service representative, is enrolled in law school at the University of Missouri-Kansas City. Her last day with MOSTARS was July 28. Although Michelle had only been with MOSTARS for 16 months, her friendliness and eagerness to help students will be greatly missed.

Necole Koestner, program specialist-administrative wage garnishment, is pursuing her master's degree in communication science and disorders full time at the University of Missouri-Columbia. She hopes to earn

certification as a speech-language pathologist by May 2002. Her last day with MOSTARS was Aug. 16. Necole started as a program specialist with the MOSTARS Information Center in July 1997. She began assisting the administrative wage garnishment staff part time in August 1998.

The MOSTARS staff wishes Michelle and Necole the best in their pursuit of higher education.

While MOSTARS was sad to say goodbye to Michelle and Necole, MOSTARS is pleased to announce three new staff members.

Billie Middaugh began work as a compliance reviewer on July 10. Billie graduated from William Woods University in March 2000 with a bachelor's degree in business management. She previously worked as a patient accounts representative for Capital Region Medical Center.

In her spare time, Billie enjoys spending time with her eight-year-old son, Ryan, and a variety of outside activities.

When calling the MOSTARS Information Center, you might be greeted by **Natasha Dabney**. Natasha started working for MOSTARS July 31. She graduated in May 2000 from Lincoln University, where she also worked as a data entry clerk inputting loans. MOSTARS is glad to have Natasha's experience with student loan processing.

Outside of the office, Natasha enjoys spending time with her seven-year-old daughter, Tashay. Natasha is looking forward to helping with Tashay's Girl Scout troop again this fall.

The administrative wage garnishment staff welcomed **Lisa Wilson** on Sept. 5 as program specialist-AWG. Lisa worked for 12 years for the Missouri Secretary of State's Office in the franchise tax division as a tax processing technician II.

Lisa is from California, Mo. and enjoys spending time with her husband, Darryl, and nine- and seven-year-old sons, Brock and Quinten.

Welcome, Billie, Natasha, and Lisa! ★

Notification of GEAR up Grant

MOSTARS News

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The federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is one of the most exciting initiatives to emerge from the 1998 Reauthorization of the Higher Education Act. Gov. Mel Carnahan designated the Missouri Department of Higher Education as the state agency to submit a proposal for a GEAR UP state grant. In September 2000, the U.S. Department of Education awarded a GEAR UP state grant to the Missouri Department of Higher Education in the amount of \$7.4 million over a five-year period. First-year funding and the development and implementation of the Missouri GEAR UP state grant began in October 2000.

The goal of GEAR UP is to improve the educational attainment of Missouri citizens

by fostering early college preparation and awareness to students through comprehensive mentoring, counseling, outreach and other support services. These activities promote greater access to educational excellence through partnership efforts on behalf of low-income, underrepresented students. These activities ensure that targeted students have access to rigorous courses that prepare them for college. It is important that all Missouri students develop a solid academic foundation for college through challenging courses, well prepared teachers and modern learning tools. Nineteen targeted Missouri middle schools with more than 3,000 sixth grade students have agreed to participate as partners with the department to accomplish the GEAR UP goals.

One of the goals for the GEAR UP state grant is to improve the knowledge of and opportunities for Missouri families to receive financial assistance. Consequently, the Missouri GEAR UP project includes a scholarship component that will provide an additional financial assistance incentive for qualified GEAR UP students to attend a Missouri college or university.

A list of the Missouri GEAR UP partners will be published in the November 2000 MOSTARS newsletter, or you can obtain the list by contacting Dr. Richard Presberry, MOSTARS senior associate for early awareness and outreach, at (573) 526-1316. ★

Options for Reporting Loan Maintenance Changes

**MOSTARS
News**

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Loan holders and schools have several options for sending loan maintenance information to the Missouri Student Loan Program.

The Loan Status Update Form (Form 8) is the traditional method for reporting loan maintenance changes. The form is available as a paper copy and on the MOSTARS web site at www.mocbhe.gov under Resources and Links. The Form 8 can be completed online and printed or be printed and then completed. Completed Form 8s can be faxed to

(904) 281-4017 or mailed to MSLP/Guarantec, P.O. Box 52838, Jacksonville, FL 32201. If a school submits changes on the Form 8, a copy must also be forwarded to the loan holder.

Clients can utilize electronic loan maintenance software, such as e*CLIPS, to report loan maintenance changes.

Clients also can utilize a template created in Excel or Quattro Pro to e-mail changes to the MSLP servicer, Guarantec, at

gtecloans@guarantec.com. If a school is sending the change, the loan holder must be copied on the e-mail. For a copy of the template, send an e-mail to gtecloans@guarantec.com.

If you have questions about your loan maintenance processing options, call the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940 or contact Michelle Rodriguez at Guarantec at (800) 667-7906 ext. 7027 or mrodriguez@guarantec.com. ★

MSLP MPN Manuals Available

**MOSTARS
News**

Beth Ziehmer
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The August 2000 edition of the Missouri Student Loan Program Master Promissory Note Manual was distributed at the MOSTARS Fall Workshops held in Columbia, St. Louis, Springfield, and Kansas City in September and October.

The manual was initially printed in August 1999 to provide a comprehensive overview of the MPN and to aid school and lender clients in the transition to the MPN. The manual includes information on the overall MPN process, serial loans, and application reject codes and

questions and answers about the MPN as well as information on subsidized/unsubsidized reallocation and hold and release of loan disbursements. The appendices printed in the first edition of the manual were not reprinted in the new edition.

To request a revised MSLP MPN Manual or a copy of the appendices, call the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940 or e-mail Beth Ziehmer at beth.ziehmer@mocbhe.gov. Include your name, institution, and mailing address. ★

Electronic Counseling for Perkins Borrowers

At the request of participating schools, Mapping Your Future developed Perkins Online Student Loan Entrance Counseling. Schools can sign up to use this electronic counseling for their Perkins borrowers at <http://mapping-your-future.org/perkins/entrancecounseling/sch.cfm>. The counseling is available for students at <http://mapping-your-future.org/perkins/entrancecounseling>.

Students must go directly to that link to get to the electronic counseling. After a period of monitoring, a link will be added to the counseling session from the MOSTARS web site. In addition to making sure the counseling is functioning properly, suggested revisions to the content of the counseling will be made. If you have comments or suggestions about the Perkins counseling

site,
please
direct
them to

**Mapping
Your
Future**

Judy Cantoni
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Pam King at pam.king@mocbhe.gov or Judy Cantoni at judy.cantoni@mocbhe.gov.

The customization feature currently available to schools who utilize the Stafford Online Student Loan Counseling is not available for the Perkins Online Student Loan Entrance Counseling; however, plans are to add that feature as soon as possible.

If you have questions about this service, please contact your MOSTARS client service representative. ★

The Missouri Department of Higher Education makes every effort to provide program accessibility to all citizens without regard to disability. If you require this publication in an alternate form, contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. Hearing/speech impaired can call (800) 735-2966.

**Coordinating Board for Higher Education
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FIRST CLASS

MOSTARS, a division of the Missouri Department of Higher Education, publishes this newsletter to inform Missouri's financial aid community of current issues concerning the Missouri Student Loan Program and the Missouri student financial assistance programs.

Mr. Lynn Ewing, Jr. CBHE Chair

Dr. Kala M. Stroup. Commissioner
of Higher Education

Mr. Dan Peterson. . . Interim MOSTARS Director